

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF EAST CASEY COUNTY WATER)	
DISTRICT, A WATER DISTRICT ORGANIZED PURSUANT)	
TO CHAPTER 74 OF THE KENTUCKY REVISED STATUTES,)	
IN CASEY COUNTY, KENTUCKY, FOR (1) A CERTIFICATE)	
OF PUBLIC CONVENIENCE AND NECESSITY,)	
AUTHORIZING AND PERMITTING SAID WATER DISTRICT)	
TO CONSTRUCT WATER WORKS DISTRIBUTION)	
SYSTEM IMPROVEMENTS, CONSISTING OF A 50,000)	CASE NO.
GALLON WATER STORAGE TANK, RENOVATIONS TO)	97-467
THE METERING/CONTROL VALVE STATION AND PUMP)	
STATION AND APPROXIMATELY 52 MILES OF 6", 4" AND)	
3" PVC WATER LINES AND APPURTENANCES, (2) AN)	
INCREASE IN CUSTOMER WATER RATES AND (3))	
APPROVAL OF THE PROPOSED PLAN OF FINANCING)	
OF SAID PROJECT)	

O R D E R

On November 19, 1997, East Casey County Water District ("East Casey Water") submitted an application for a Certificate of Public Convenience and Necessity to construct a \$1,796,880 waterworks improvement project, for approval of its plan of financing for this project, and for adjustments to its water service rates. This project will provide new service to 390 additional customers. Project funding is a \$525,000 bond issue to be purchased pursuant to an agreement with the U. S. Department of Agriculture's Rural Development ("RD"), a \$350,000 grant from the RD, a \$896,880 Community Development Block Grant ("CDBG"), and a \$25,000 contribution from the Applicant.

East Casey Water's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water utilities and the U. S. Department of Agriculture or the U. S. Department of Housing and Urban Development and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing requirements were met in this case on November 19, 1997, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

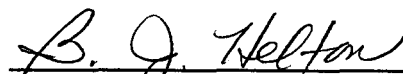
1. East Casey Water is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.
2. East Casey Water's proposed plan of financing with RD is accepted.
3. East Casey Water is authorized to issue bonds not to exceed \$525,000.
4. East Casey Water shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.
5. The rates set out in Appendix A, which is attached hereto and incorporated herein, are the rates approved for service rendered on and after the date of this Order.
6. East Casey Water shall submit its revised tariff setting out the rates in Appendix A within 30 days of the date of this Order.
7. East Casey Water shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer falls outside the requirements of 807 KAR 5:066, Section

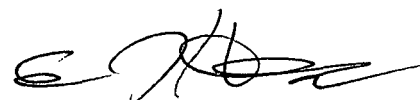
5(1), East Casey Water shall take immediate action to bring the system into compliance with Commission regulations.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 17th day of December, 1997.

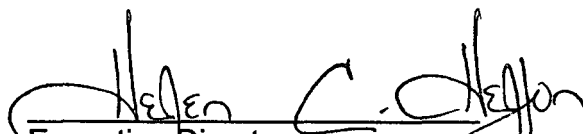
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 97-467 DATED DECEMBER 17, 1997

The following rates and charges are prescribed for the customers of the area served by East Casey County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of the Order.

Monthly Rates

First	2,000 gallons	\$12.71 Minimum Bill
Next	3,000 gallons	5.93 per 1,000 gallons
Next	5,000 gallons	5.65 per 1,000 gallons
Next	5,000 gallons	5.36 per 1,000 gallons
Next	5,000 gallons	5.09 per 1,000 gallons
All Over	20,000 gallons	4.52 per 1,000 gallons